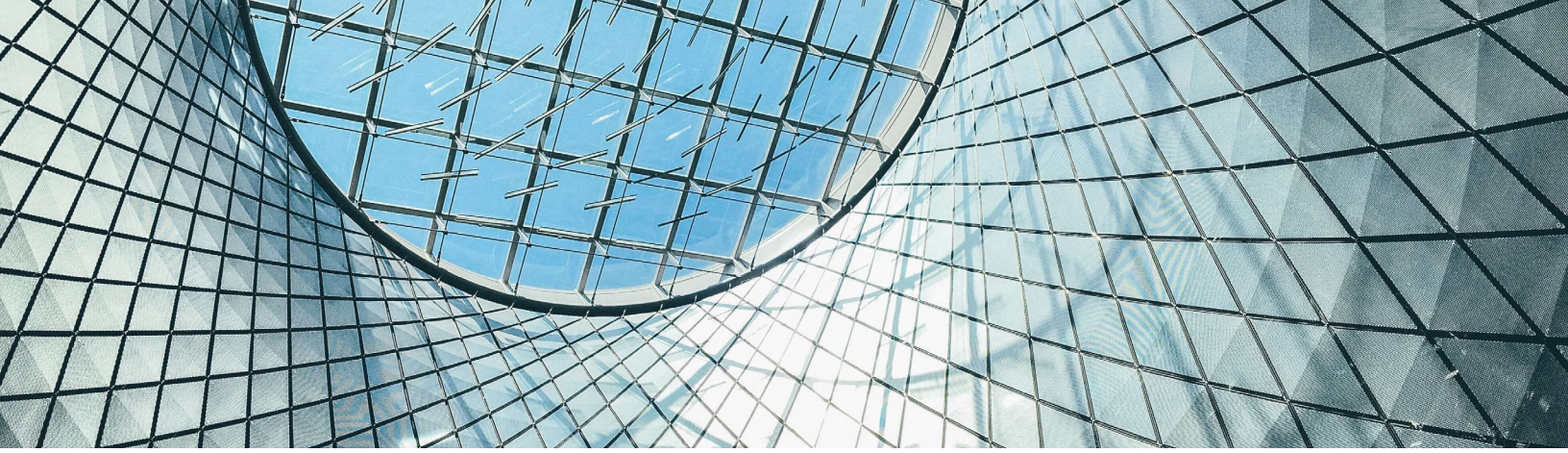

Market Insight Report Reprint

Coverage Initiation: Acquisitive insightsoftware elucidates its data-driven decision-making strategy

September 6 2022

by Krishna Roy

The vendor is addressing the prevailing trend for making strategic and tactical decisions using data. Its approach aims to eliminate the need for a separate analytics platform to get the insight individuals need to make data-driven decisions by providing said insight within the apps they already use.

451 Research

S&P Global
Market Intelligence

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Introduction

Delivering analytical insight integrated with the financial applications already in use by insightsoftware's core audience in finance is one aspect of the company's analytics strategy, which the vendor continues to focus on. However, in 2021, insightsoftware made a foray into providing software vendors, as well as software application development teams, with the ability to use a low-code approach to infuse applications they build for internal and external use with visualizations and other analytical insight. This move followed the acquisition of veteran embedded analysis specialist Logi Analytics. Now, insightsoftware is building a best-of-breed platform using Logi Analytics' products, along with multiple other acquired assets, to reinforce its embedded analytics focus.

THE TAKE

When asked which products an organization anticipates senior and departmental/line-of-business decision-makers will use two years from now to make decisions based on data, 43% of respondents to our Voice of the Enterprise: Data & Analytics, Data Management & Analytics 2021 survey cited desktop/SaaS productivity applications. Furthermore, 42% of respondents to this survey said enterprise applications will be used by these same decision-makers to make data-driven decisions two years from now. These responses indicate that the corporate appetite for embedded analytics is growing. The company has amassed a significant amount of technology to support a variety of styles of embedded analysis, which puts insightsoftware in a solid position to capitalize on this growth. However, insightsoftware's embedded analytics strategy is still more vision than reality because it has yet to create the best-of-breed, modern, cloud-ready, containerized platform on which the next phase relies. Furthermore, insightsoftware is not alone in addressing embedded analytics use cases, which is a focus for just about every business intelligence and analytics player, as well as most fellow purveyors of business applications, so it is operating in a competitive and crowded environment.

Context

In its current guise, insightsoftware took shape in 2018, when U.S.-based private equity firm TA Associates acquired the company. London-based private equity firm HgCapital is the company's other minority shareholder. HgCapital made roughly a $1 billion investment in insightsoftware through its Saturn 2 Fund in July 2021, which resulted in joint control of insightsoftware by HgCapital and TA Associates – as well as a $4 billion valuation for insightsoftware. The company has gone on an M&A spree to build a portfolio of products to meet a variety of financial needs as part of a strategy to target the office of finance's requirements. At the time of writing, insightsoftware has made 25 acquisitions using the investment funds it has secured.

The company's embedded analytics strategy got underway in earnest last April, when insightsoftware reached for Logi Analytics and added Logi Composer, Logi Info and Logi Reports to its portfolio as part of a pledge to strategically expand its embedded analytics offerings using a combination of acquisitions and internal development. It cites Logi Composer — a purpose-built modern embedded analytics platform owing to capabilities including a cloud-ready, micro-services architecture and application programming interfaces — as a key motivation behind the acquisition of Logi Analytics. Furthermore, the company has retained all three products, along with their names, and will pour them into the best-of-breed embedded analytics platform it is creating.

The company's latest acquisition is veteran data visualization provider Dundas Data Visualization (formerly Dundas Software), which it bought in August. Dundas built early success providing charts, maps and other types of embeddable visualizations in the 2000s before creating an integrable dashboard product for developers in 2008. Dundas BI, a business intelligence platform with integrated ETL capabilities, is the primary product Dundas has offered since 2014.

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The company plans to draw on Dundas' ETL capabilities to bolster the data management capabilities it already provides. The company also plans to tap into Dundas' pixel-perfect reporting capabilities to beef up its existing reporting capabilities. Pixel-perfect reports essentially allow control over the position of every report object, which is why they are good for management reports and other reports that require a precise format.

Over on the business front, insightsoftware cites embedded analytics as one of the fastest-growing elements of its business. Furthermore, management notes that insightsoftware is on track to be a $500 million business in 2022. In addition, insightsoftware cites 30,000-plus customers in total and a workforce of more than 2,000 employees, who are spread across 40-plus locations worldwide.

Current strategy

The provision of analytical insights integrated within the financial applications already in use by insightsoftware's core audience in finance is one aspect of insightsoftware's embedded analytics strategy, which the company continues to focus on. Indeed, insightsoftware is using its acquisition of Logi Analytics to reinforce its ability to deliver intelligence to finance teams, so they can make data-driven decisions using the latest data and insights in dashboards, reports and metrics, which are natively integrated inside the financial apps they already use daily.

The company's other strategy is to provide software vendors and software application teams with embedded analytics, so they can create integrable analysis in the products they build for use internally, as well as externally for the likes of customers. The objective behind this is to support data-driven decision-making by a variety of stakeholders within the day-to-day applications they already use to do their jobs.

Logi Composer is the primary offering insightsoftware is currently using to underpin its strategy to address the embedded analysis needs of software vendors and teams of software application developers. Logi Composer is an embedded analytics platform with customer-branded user interfaces, reports, dashboards and business metrics, which are designed to be easily and securely integrated into applications requiring analytical insights.

Additionally, Logi Composer provides basic data wrangling for developers to use, as well as a high degree of control over the integrable analytical insights developers can deliver to each user, on a case-by-case basis, which can be subsequently customized by the end user. Logi Analytics launched Logi Composer in 2020 using its acquisition of data visualization specialist, Zoomdata.

Future best-of-breed platform

The company's analytics strategy for 2023 is to build a best-of-breed software platform to support a variety of styles and approaches to embedded analysis by tapping into acquired functionality as well as internal development. This platform will use Logi Composer as its backbone owing to its modern architecture and developer-ready APIs, which will be infused into its other components.

Aside from Logi Composer, insightsoftware's best-of-breed platform will incorporate elements of the following products:

- Logi Info, which is a traditional embedded analytics platform for developers to use to build custom BI applications. Logi Analytics built much of its business using Logi Info.
- Logi Report, which is for embeddable pixel-perfect reporting. Logi Report was originally developed by Jinfonet Software. Logi acquired Jinfonet in 2019.
- Izenda, which insightsoftware nabbed in 2021, and integrated with Logi to double down on embedded analytics.
- Exago, which insightsoftware acquired in October 2021 to gain embedded business intelligence capabilities specifically for SaaS providers.
- Dundas Data Visualization, which insightsoftware acquired for ETL, pixel-perfect reporting, as well as AI-driven insights in August 2022.

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It is also worth noting that insightsoftware will continue to actively sell and support Logi Composer, Logi Info and Logi Report as separate offerings, as well as within a product bundle called Symphony (which Logi Analytics introduced before it was acquired), following the debut of its best-of-breed platform.

Competition

Sisense, Domo Inc., Microsoft Corp. (Power BI) and Toucan Toco (occasionally) are the cited competitors insightsoftware has encountered since the company acquired Logi Analytics, which figures, since all of them support embedded analysis use cases, albeit in different ways. That said, it is fair to say that Logi Analytics is the best known for embedded analytics because as an independent company it focused exclusively on this approach since its founding in 2000.

However, that's not to say that Sisense et al. are the only vendors offering embedded analytics. Virtually every purveyor of business intelligence and analytics, including Salesforce Inc.-owned Tableau, Qlik, GoodData and Yellowfin, offers the ability to embed reports, dashboards and other analysis inside third-party apps, so that their users do not have to switch to a dedicated business intelligence or analytics platform, which can take time and effort to learn.

When it comes to integrated analytics inside financial apps, insightsoftware is not alone in focusing on this approach either. SAP SE, Oracle Corp., Microsoft Corp., Workday Inc. and SAS Institute also provide embedded analytics within the financial applications, as well as the other apps, they sell.

Finally, corporate performance management (CPM) specialists, which provide financial planning, budgeting and analytics for the office of finance, are another group of potential competitors because they target the same audience of finance executives as insightsoftware. This means vendors including Anaplan Inc., OneStream Software, Kepion, Prophix Software and Board International are other competitors insightsoftware may face.

SWOT Analysis

STRENGTHS

The company knows and understands finance teams' needs, which puts insightsoftware in a good position to address the complementary analytical capabilities this audience requires for data-driven decision-making. This in turn positions it well for up-sell and cross-sell to the "office of the CFO."

WEAKNESSES

The company's portfolio of analytics products is a little hard to navigate, in large part because many of the products it has acquired appear to have overlapping functionality, which creates potential for confusion.

OPPORTUNITIES

HgCapital's investment in 2021 gave the company plenty of fresh fuel for its M&A engine. A governance offering to better support confidence and trust in embedded insights is an acquisition we would like to see next because it would further reinforce the vendor's analytics credentials.

THREATS

The company's embedded analytics strategy has exposed it to a new set of competitors in business intelligence and analytics, as well as CPM. Moreover, many of these vendors are better known than it is.

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